



24 September 2021

**To: Members of the Hong Kong Institute of CPAs
All other interested parties**

**INVITATION TO COMMENT ON IFRS INTERPRETATIONS COMMITTEE
TENTATIVE AGENDA DECISIONS**

Comments to be received by 22 October 2021

The IFRS Interpretations Committee (IC) works together with the International Accounting Standards Board (IASB) to support the consistent application of IFRS. They do so by, among other things, issuing narrow-scope amendments and IFRIC Interpretations, and publishing agenda decisions to address application questions.

If the IC decides that a standard-setting project should not be added to the work plan, it explains why in a tentative agenda decision, and requests comments within a period normally of 60 days. An agenda decision explains why a standard-setting project has not been added to the work plan and, in many cases, includes explanatory material. Agenda decisions cannot add or change requirements in IFRS Standards.

At its September meeting, the IC discussed the following matters and tentatively decided not to add a standard-setting project to the work plan.

- (1) [Cash Received via Electronic Transfer as Settlement for a Financial Asset](#) (IFRS 9 *Financial Instruments*) – How to account for cash received via an electronic transfer system as settlement for a financial asset, in particular, whether an entity can derecognise the trade receivable and recognise cash on the date the cash transfer is initiated (its reporting date), rather than on the date the cash transfer is settled (after its reporting date).
- (2) [Demand Deposits with Restrictions on Use](#) (IAS 7 *Statement of Cash Flows*) - whether an entity includes a demand deposit as a component of cash and cash equivalents in its statements of cash flows and financial position when the demand deposit is subject to contractual restrictions on use agreed with a third party.

The Financial Reporting Standards Committee of the Hong Kong Institute of Certified Public Accountants is seeking comments on the above tentative agenda decisions by **22 October 2021** to allow your comments to be considered in developing its response. Comments should be supported by specific reasoning and should be submitted in written form.

Comments may be sent by mail, fax or e-mail to:

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Comments will be acknowledged and may be made available for public review unless otherwise requested by the respondent.